12/15/87 A0400-1A

The Aluminum Situation

Department of Economics and Statistics **November 1987**

1987 Net Shipments Up 6.0 Percent

Total industry net shipments for nine months 1987, estimated at 12,488 million pounds, were up 6.0 percent from the nine month 1986 total of 11,788 million pounds.

Domestic shipments of 11,588 million pounds were up 4.2 percent over the nine month 1986 total of 11,125 million pounds.

For the first nine months of 1987, imports of ingot and mill products were down 11.2 percent and exports were up 36.2 percent as compared with the same period of 1986.

Thru September 1987

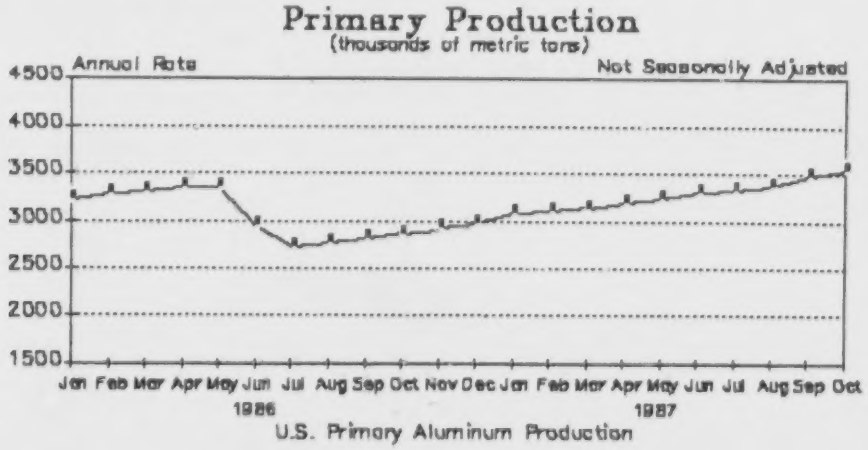
	1987 9 Mos.	1986 9 Mos.	% Change
Mill Products	9,852	9,461	4.1
Ingot	2,636	2,324	13.4
Total	12,488	11,786	6.0
Less Exports	900	661	36.2
Domestic Total	11,588	11,125	4.2

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

* * * * *

Production Rate for October Up 23.8%

U.S. primary aluminum production averaged 9,721 metric ton daily during October 1987. This compares with an average of 7,854 metric tons a day in October 1986 and 9,518 metric tons a day in September 1987. The annual rate of production in October 1987 was 3,548,094 metric tons compared with 2,866,698 metric tons in October 1986 and 3,474,034 metric tons in September 1987. Actual production in October 1987 was 243,473 metric tons.

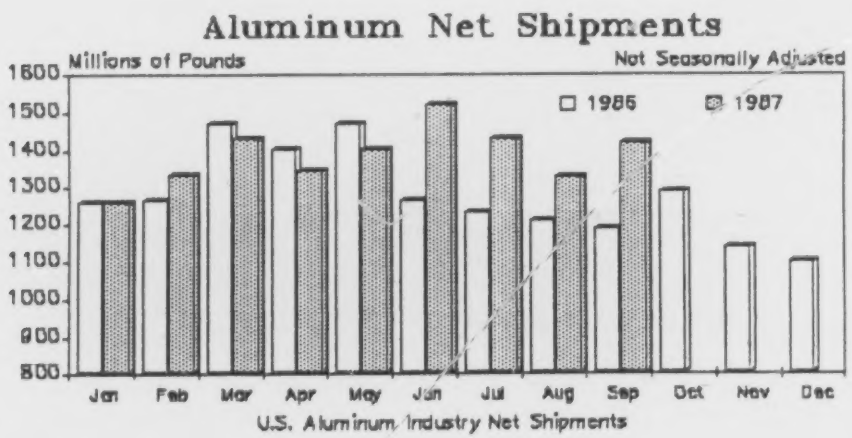


U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Industry Net Shipments Up 6.0 Percent

Estimated total industry net shipments of 12,488 million pounds for nine months of 1987 were up 6.0 percent from the nine month 1986 total of 11,788 million pounds. Exports for eight months of 1987 of 900 million pounds were up 36.2 percent. Domestic shipments showed a 4.2 percent increase from a year ago. September shipments of 1,422 million pounds were up 19.5 percent versus a year ago.



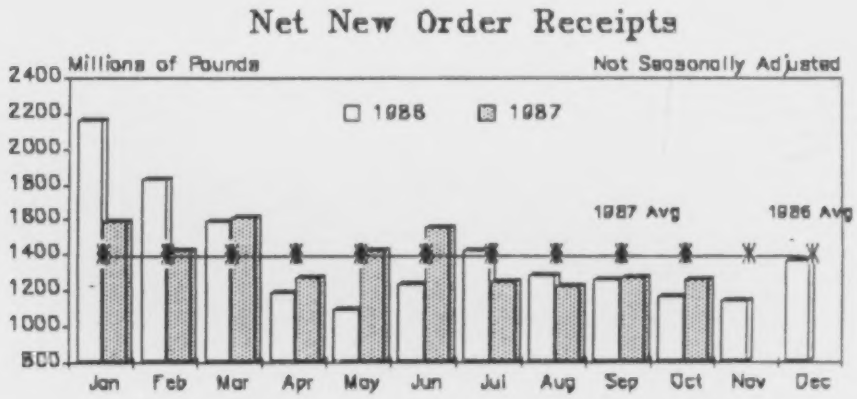
Net Shipments
(Millions of Pounds)

	1987* September	1986 September	1987 9 Mos.	1986 9 Mos.	% Change 1987 vs 1986
Sheet	597.3	505.7	5,285.4	4,890.0	8.1
Plate	22.8	20.4	202.7	188.5	7.5
Foil	72.3	74.4	650.0	650.0	0.0
Rod,Bar & Wire	30.4	26.6	280.1	259.0	8.2
Elec. Conductor	54.1	51.4	473.2	487.0	-2.8
Extruded Shapes,Tube	239.0	233.3	2,106.0	2,076.0	1.4
Powder & Paste	9.5	8.1	72.6	74.9	-3.1
Forgings & Impacts	13.8	12.1	118.4	108.6	9.1
Net Imports of Mill Products (Total) (a)	68.8	72.9	663.5	727.6	-8.8
Total Mill Products	1,108.1	1,004.8	9,852.0	9,461.5	4.1
Ingot	313.8	184.7	2,635.9	2,324.4	13.4
TOTAL INDUSTRY SHIPMENTS	1,421.9	1,189.4	12,487.9	11,785.8	6.0
Exports	110.7	73.5	899.8	660.9	36.2
TOTAL DOMESTIC SHIPMENTS	1,311.2	1,115.9	11,588.1	11,124.9	4.2

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.
(*) Latest month.

October New Order Receipts Decline 0.8 Percent

Estimated net new order receipts for October 1987 of 1,262 million pounds declined slightly, dropping 0.8 percent versus the previous month. New order receipts for ten months of 1987 at 13,880 million pounds were down 2.5 percent versus the first ten months of 1986 total of 14,237 million pounds.



Order Receipts
(Millions of Pounds)

	1987* October	1986 October	1987 10 Mos.	1986 10 Mos.	% Change 1987 vs 1986
Can Stock (a)	264.2	138.9	2,977.4	2,896.1	2.8
Sheet & Plate, Other	400.9	315.3	3,958.4	3,295.9	20.1
Foil	91.7	74.7	807.1	744.3	8.4
Rod,Bar & Wire	35.1	19.8	325.8	263.5	23.6
Electrical Conductor	57.6	51.5	533.0	549.4	-3.0
Extruded Products	205.1	236.1	2,784.2	2,387.4	16.6
Powder & Paste	8.5	4.0	69.0	65.7	5.0
Forgings & Impacts	11.8	13.3	112.7	96.1	17.3
Domestic Mill Products	1,074.9	853.6	11,567.6	10,298.4	12.3
Ingot (Total)	120.2	243.3	1,409.2	3,283.8	-57.1
TOTAL DOMESTIC	1,195.1	1,096.9	12,976.8	13,582.2	-4.5
Exports	66.7	69.3	903.2	655.1	37.9
TOTAL ALL PRODUCTS	1,261.8	1,166.2	13,880.0	14,237.3	-2.5

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.
(*) Latest month.

Producer Inventories Drop 149 Million Pounds in September

Estimated producer inventories dropped in September 1987 to a total of 4,155 million pounds. This represented a 149 million pound decrease from the revised August 1987 level of 4,304 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
Dec 85	5,165	2,235	567	2,363
Dec 86	4,939	1,982	642	2,315
Jan 87	4,947	1,933	601	2,413
Feb 87	4,784	1,693	582	2,509
Mar 87	4,702	1,623	561	2,519
Apr 87	4,591	1,521	560	2,511
May 87	4,515	1,465	557	2,494
Jun 87	4,475	1,424	613	2,437
Jul 87r	4,393	1,445	615	2,334
Aug 87r	4,304	1,388	596	2,320
Sep 87*	4,155	1,338	598	2,220

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Latest month. Early estimates are available from the Association on a subscription basis.

U.S. Imports & Exports
(Millions of Pounds)

		1987* September	1986 September	1987 9 Mos.	1986 9 Mos.	% Change 1987 vs 1986
Imports	Mill Products	73.7	77.4	742.3	824.8	-10.0
	Ingot	209.8	207.3	2,089.7	2,364.3	-11.6
	Total	283.5	284.7	2,832.0	3,189.1	-11.2
	Scrap (+ dross)	35.3	29.5	324.6	269.9	20.3
	Grand Total	318.8	314.3	3,156.6	3,459.0	-8.7
Exports	Mill Products	49.4	37.5	467.9	331.2	41.2
	Ingot	61.3	36.0	432.0	329.6	31.1
	Total	110.7	73.5	899.9	660.9	36.2
	Scrap	62.0	54.2	618.6	567.2	9.1
	Grand Total	172.7	127.7	1,518.5	1,228.0	23.7
Net Imports		146.1	186.6	1,638.1	2,231.0	-26.6

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Latest month.